

## How Do I Determine My Average Farm Yield?

Average farm yield is based on the actual yields obtained on each farm. If you have production records for preceding years, use them to calculate your average yield. Otherwise your agent will be pleased to assist you in arriving at a yield figure which will meet our underwriting requirements.

## How Much Does It Cost?

### Sample Premium Calculation:

- 20 acres of winter wheat located in Southwestern Ontario\*
- Assume that the normal expected yield is 40 bushels per acre, or a total of 800 bushels.
- The guaranteed production plan offers a choice of coverage:-

50% of 800 bushels = 400 @ \$1.50 per bushel = \$600 insurance.

Rate: \$2.80 per \$100. of insurance.

Total premium is \$16.80 or 84¢ per acre.

60% of 800 bushels = 480 bushels @ \$1.50 per bushel = \$720.00 insurance;

Rate: \$4.30 per \$100 of insurance. Total Premium is \$30.96 or \$1.55 per acre.

70% of 800 bushels = 560 bushels @ \$1.50 per bushel = \$840.00 insurance;

Rate: \$5.80 per \$100 of insurance. Total Premium is \$48.72 or \$2.44 per acre.

80% of 800 bushels = 640 bushels @ \$1.50 per bushel = \$960.00 insurance;

Rate: \$7.80 per \$100 of insurance. Total Premium is \$74.88 or \$3.74 per acre.

\*Premiums in other areas are only a few pennies more!

## How are Claims for Indemnity Calculated?

To illustrate how claims are calculated, assume that a farmer with 20 acres of winter wheat has an average farm yield of 40 bushels per acre, insured for 80% coverage. The Crop Insurance Contract guarantees him a production of 640 bushels. If the crop is harvested and the actual production is 440 bushels, he has a deficiency of 200 bushels. At the established price per bushel of \$1.50, the claim payment is  $200 \times \$1.50 = \$300$ .

Provision is made for early claims adjustments where any acreage of the insured crop is destroyed, abandoned, or used for another purpose. Payments in these early stages are made at a reduced rate.

Protect yourself, your crop, and your farm credit today with

### CROP INSURANCE!

YOU MAY BE GLAD YOU DID.

Insurable crops now include:

- WINTER WHEAT • SPRING GRAIN • FORAGE
- GRAIN CORN • SOYBEANS • WHITE BEANS.

Plans for other insurable crops will be introduced soon!

For further information, call the Agent of the Crop Insurance Commission in your vicinity, or ask your county Agricultural Representative. You may also write directly to

### THE CROP INSURANCE COMMISSION OF ONTARIO

500 University Avenue  
Toronto 2, Ontario

# ONTARIO Insure Your WINTER WHEAT NOW!

WITH THE  
CROP INSURANCE  
COMMISSION of  
ONTARIO



ONTARIO  
DEPARTMENT OF AGRICULTURE AND FOOD  
PARLIAMENT BUILDINGS, TORONTO

EVERETT BIGGS  
DEPUTY MINISTER

HON. WM. A. STEWART  
MINISTER

CARON  
AF  
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## Why Buy Crop Insurance?

Modern agricultural technology has tremendously increased the farmer's production potential. However, the increased cost of new machinery, equipment, fertilizers, sprays and labor has also increased the cost of production, so that a farmer today has a substantial investment in his crops before they reach maturity. Until harvest time they are growing in the fields at the mercy of the elements.

This investment should be protected for the same reason that a prudent farmer insures his buildings, equipment, and livestock; to prevent financial disaster in event of a crop loss or failure.

The best protection available is the comprehensive, low-cost insurance coverage offered by The Crop Insurance Commission of Ontario.

Featuring an entirely new concept in insurance protection, it virtually guarantees a return of production costs up to the percentage of coverage selected.

A crop insurance premium is a very small part of the overall cost of production, yet its benefits in event of severe crop loss or damage may very well avert the foreclosure of a mortgage, or the loss of some valuable machinery or equipment.

All crop insurance premiums may be charged as an expense for income tax purposes.

## How is the Cost of Insurance Reduced?

As a result of a Federal government premium subsidy of 25%, a Provincial government subsidy of 5%, and with both governments sharing all administrative costs of the plan, your premium for this valuable protection is reduced substantially.

## Premium Discounts . . .

For each consecutive year of participation in the plan without a claim, a cumulative discount of 5% is earned to a maximum of 25%. Thus the efficient producer, using good farming practices, can achieve a substantial saving in premium while enjoying the benefits of protection against uncontrollable hazards.

## What Perils are Crops Insured Against?

The risks are specified in the Contract. For most crops they are: HAIL, DROUGHT, EXCESSIVE MOISTURE, EXCESSIVE RAINFALL, FLOOD, FROST, WIND, PLANT DISEASE AND INSECT INFESTATION. In addition, WINTER WHEAT IS INSURED AGAINST WINTER KILL. GRAIN CORN IS COVERED FOR WILDLIFE DAMAGE.

## Who May Insure?

All owner-operators and tenant-operators of farms in Ontario may insure, including partnerships and corporations. The important requirement is that the insured person be an operator.

Indemnities or benefits under a Crop Insurance Contract may, on approval by the Commission, be assigned to a third party, such as a Landlord, Bank, Loan or Trust Company, Fertilizer or Seed Dealer.

Many farmers find this assignment feature helps protect their farm credit.

## Must I Insure All My Crop?

A farmer may elect to insure one or more of his insurable crops, but he must insure all seeded acreage of any crop that is insured. For example, he may choose to insure his wheat but not his spring grain. Or he may insure his wheat and spring grain but not his corn.

## What is the Contract of Insurance?

It is a legal agreement between the insured farmer and the Crop Insurance Commission of Ontario, issued to you when your application for insurance is accepted by the Commission. The contract is issued under the authority of the Crop Insurance Act (Ontario) 1966 and its regulations. Its terms and conditions are binding on both parties.

The contract is continuous from year to year, until cancelled. It may be cancelled by either party giving written notice to the other **before a prescribed date**. If not properly cancelled, then both parties are obligated to continue the insurance each year.

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**THE FOREGOING INFORMATION APPLIES GENERALLY TO ALL INSURANCE PLANS OFFERED BY THE CROP INSURANCE COMMISSION OF ONTARIO.**

**HERE ARE THE SPECIFIC DETAILS OF THE WINTER WHEAT PLAN:**

## How Do I Apply for Insurance on Winter Wheat?

Call your Local Agent and complete an application form. The final date for acceptance of applications is October 1st, or 10 days after completion of seeding, whichever occurs first. A deposit premium of \$15 is required.

Late-seeded crops are not insurable. In Eastern Ontario, final date for seeding is September 15th. In Central and Southwestern Ontario it is September 30th. In Southern Ontario, October 20th.

Apply early — and be assured of coverage.

## How is Winter Wheat Insured?

The insurance is in the form of a guarantee of production based on your average farm yield. You have a choice of the level of coverage: 50, 60, 70 or 80%. If your average yield is 40 bushels per acre, you may insure for 20 bushels at 50% coverage, 24 bushels at 60%, 28 bushels at 70% or 32 bushels at 80%.

The lowest level of coverage is intended to cover "out-of-pocket" expenses only, at a very low premium cost. High coverage will insure the return of virtually all production costs.

If the actual harvested production of the total insured acreage falls below the guaranteed production due to one or more of the insured perils, then you receive a claim payment for the deficiency. A bushel of wheat is valued at \$1.50 in calculating amounts of insurance and claim payments.